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## A COUPON EXCHANGING AND CHECK WRITING SYSTEM

### FIELD OF THE INVENTION

The present invention relates to a system for facilitating the generation, redemption and exchange of coupons whereby the invention is useful as an intermediary between coupon distributors, retailers and consumers.

### BACKGROUND OF THE INVENTION

10 Coupons have become an integral strategy for advertising and marketing products to consumers. Unfortunately, the number of coupons redeemed is exceedingly small; e.g., for coupons distributed via newspapers and magazines, the percentage of redeemed coupons is estimated to be about 2.4%.

15 Further, there are substantial problems with regard to the distribution and redemption of coupons for both the distributors of coupons and the retailers who are required to redeem coupons.

From a coupon distributor's perspective, the following 20 problems are encountered:

- (1.1) Due, at least in part, to the large number of unused coupons, there is substantial opportunity for fraud wherein unused coupons are presented to the coupon distributor for reimbursement;
- 25 (1.2) The cost per redeemed coupon is high. This is due in part to the low redemption percentage, but also

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due to coupon handling charges by, for example, retailers and coupon clearing houses;

(1.3) It is difficult to target coupons to specific consumers. For example, coupons in newspapers and magazines are generally distributed to all subscribers;

(1.4) Coupon distribution is not conveniently related to product purchases. That is, coupons are likely to be received by the consumer at almost any other time than when they would be most beneficial, which is immediately before the choice of a product for purchase.

From a retailer's perspective, the following problems are encountered:

(2.1) There can be a substantial delay between the acceptance of coupons for redemption and when the retailer is compensated for the coupons accepted. Thus, the retailer experiences a constraint on cash flow;

(2.2) There is a cost overhead in handling redeemed coupons incurred by the retailer. For example, redeemed coupons must be collected, bundled and sent to coupon clearing houses.

From a consumer's perspective there is, in general, insufficient motivation to use coupons since the time and effort required for perusing advertisements to extract desired

coupons and subsequently coordinating purchases with the extracted coupons is beyond what most consumers will do.

Thus, it would be advantageous if the above difficulties could be addressed with a single coupon generation and 5 redemption system. Toward this end, the coupon system of the present invention addresses the above difficulties, as will be described below.

#### SUMMARY OF THE INVENTION

10 The present invention is a novel method and apparatus for managing coupons which addresses the above-mentioned difficulties of coupon distributors, retailers and consumers. The coupon redemption system of the present invention is useful in performing an intermediary role between coupon 15 distributors, retailers and consumers. That is, the present invention generates coupons, collects marketing data for coupon distributors, redeems coupons presented to the retailers without using retailer funds, reduces retailer coupon handling overhead and provides substantial incentives 20 for consumers to use the coupons generated by the present invention.

The present invention, hereinafter known as a coupon exchange system, allows consumers to exchange conventional coupons (such as those obtained via newspapers and magazines) 25 for coupons generated by the present invention. Such coupon exchange system generated coupons, denoted hereinafter coupon

exchange coupons, when presented for redemption, may be redeemed for the cash value of the coupons. More precisely, for all coupon exchange coupons accepted by the coupon exchange system for redemption during a consumer purchasing 5 transaction, the coupon exchange system can, in one embodiment, print a check for the total cash value of the accepted coupon exchange coupons or, in an alternative embodiment, credit a consumer's account for the amount. In either embodiment, however, it is an important aspect of the 10 present invention that the funds used for redemption of the coupon exchange coupons are not those of the retailer. Thus, the retailer obtains full price for each product purchased with coupons exchange coupons.

In regards to exchanging conventional coupons for coupon 15 exchange coupons, the coupon exchange system of the present invention allows a consumer to exchange virtually any conventional coupon for a coupon exchange coupon, the coupon exchange coupon being printed by the coupon exchange system subsequent to the presentation of the conventional coupon. 20 Note, however, the coupon exchange coupons issued are applicable only (and exactly) for the products promoted by the coupon exchange system. Thus, an advantage for coupon distributors whose products are promoted by the present invention is that coupons for competitor products not promoted 25 by the coupon exchange system are less likely to be used than the coupons of the coupon distributors printed by the coupon

exchange system. Moreover, note that since the coupon exchange system is located in a retail sales store, the exchanging of coupons by a consumer is preferably done immediately after the consumer enters the retail sales store, 5 which is of course an extremely opportune time, i.e., just before the consumer selects products for purchase. Further, in regards to the exchanging of coupons, it is an aspect of the present invention to collect and destroy the conventional coupons that have been exchanged for coupon exchange coupons, 10 thereby eliminating the possibility of fraud relating to the exchanged conventional coupons.

It is a further aspect of the present invention to reduce the cost of redeeming coupons in that, upon redeeming coupon exchange coupons, these coupons are automatically invalidated 15 and collected as verification of redemption. Thus, manual handling of redeemed coupon exchange coupons is reduced over conventional coupons.

It is also an aspect of the present invention to allow coupon distributors to modify coupon exchange coupons for 20 their products on a retail sales store basis. That is, a coupon distributor can, from a remote site, electronically communicate with a coupon exchange system within a retail sales store and modify the stored data used by the coupon exchange system in printing coupon exchange coupons such that 25 subsequent coupon exchange coupons are printed using the modified data. Thus, since in the preferred embodiment, the

coupon exchange coupons are only valid at the retail sales store in which they are issued, a coupon distributor is able to target consumers that patronize a particular store with coupons sufficiently valuable to entice consumers to use the 5 coupon exchange coupons related to the products promoted by the distributor.

Further, in a related aspect of the present invention, consumers can be enticed to exchange conventional coupons for coupon exchange coupons by the use of games and/or bonus 10 prizes. In particular, the coupon exchange coupons can include games using, for example, rub-off coatings on predetermined portions of the coupons and, in addition, bonus prizes (e.g., cash prizes) can be awarded for the redemption of coupon exchange coupons.

15 Other features and benefits of the present invention will become apparent from the detailed description and the accompanying figures contained hereinafter.

#### BRIEF DESCRIPTION OF THE DRAWINGS

20 Fig. 1 is a block diagram representing the coupon exchange system 20 of the present invention in a retail sales store 24;

Fig. 2 is also a block diagram of an alternative embodiment of the coupon exchange system 20 of the present 25 invention illustrating data flows between a plurality of coupon exchanger units 32 and 32a;

Fig. 3 presents a consumer's view of the coupon exchanger 32 of the present invention;

Fig. 4 is a block diagram illustrating the internal components of the coupon exchanger 32, together with its data and coupon flows;

Fig. 5 illustrates a block diagram of the internal structure of a coupon scanning check writer 200, together with its data and coupon flows;

Figs. 6A-6B is a flowchart illustrating the high level control program for the coupon exchanger 32;

Figs. 7A-7B is a flowchart illustrating the steps performed during the coupon exchange process by the coupon exchanger 32;

Fig. 8 is a flowchart illustrating the high level control program used by the coupon scanning check writer 200;

Fig. 9 is a flowchart representing the program used by the coupon scanning check writer 200 when a universal product code (UPC) signal is detected corresponding to a product being purchased by a consumer;

Fig. 10 is a flowchart illustrating the program used by the coupon scanning check writer 200 to process a coupon exchange coupon 40 that has been received during a consumer purchasing transaction;

Fig. 11 is a flowchart illustrating the program used by the coupon scanning check writer 200 when a consumer

purchasing transaction is complete and any coupon exchange system checks 48 are to be written; and

Fig. 12 illustrates one embodiment of a coupon exchange coupon 40.

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#### DETAILED DESCRIPTION

In reference to Fig. 1, the coupon exchange system 20 of the present invention is illustrated in a block diagram in the context of a retail sales store 24 and a computer coupon exchange management network 28. As illustrated, the coupon exchange system 20 includes a coupon exchanger 32 for receiving a conventional coupon 36 (e.g., as would be provided with a newspaper or magazine) and exchanging the coupon for a coupon exchange coupon 40. Additionally, the coupon exchange system 20 also includes one or more coupon scanning check writers 44 used for redeeming coupon exchange coupons 40 for checks 48 which are printed and presented to the consumer as redemption for the coupon exchange coupons 40.

Referring now to the coupon exchanger 32, it is connected to each coupon scanning check writer 44 such that the coupon exchanger 32 can download data regarding, for instance, the coupon exchange coupons acceptable for redemption. In addition, the coupon exchanger 32 receives, for example, data from each coupon scanning check writer 44 regarding the coupons that have been redeemed and the cash value of the redemptions. The coupon exchanger 32 is also connected to a

computer coupon exchange management network 28 such that the coupon exchanger 32 can receive data related to, for instance, coupon exchange coupons 40 to be printed as well as data regarding bonuses and cash prizes to be awarded to consumers 5 using coupon exchange coupons 40. Alternatively, the coupon exchanger 32 transfers data to the computer coupon exchange management network 28 related to the coupon exchange coupons 40 that have been redeemed in the retail store 24 and consumer bonuses issued.

10 Referring now to the coupon scanning check writers 44, note that each such check writer receives data from a related sales checkout station 52. The data received from the sales checkout station 52 is derived from the reading of bar code labelings on products presented for purchase at the sales 15 checkout station. The bar codes of the products are scanned by a product bar code scanner 56 within each sales checkout station 52. Data relating to the scanned bar codes is transferred to the in store sales processing network 60 via the coupon scanning check writer 44. The coupon scanning 20 check writer 44 monitors the bar code data for bar codes of products for which a coupon exchange coupon 40 may apply if presented for redemption. An operator at each sales checkout station 52 operates both the sales checkout station 52 and the coupon scanning check writer 44. In particular, the operator 25 provides input to the coupon scanning check writer 44 by inserting coupon exchange coupons 40 presented<sup>®</sup> by a consumer

during a transaction for the purchase of products. In addition, the operator may also be required to input a signal to the coupon scanning check writer 44 as to when all products for a given consumer's transaction have been scanned and a 5 check 48 is to be written corresponding to the total amount on the coupon exchange coupons 40 redeemed during the transaction. Further, one or more additional checks 48 may be written if it is determined that the consumer is a winner of a bonus check or other games associated with the use of coupon 10 exchange coupons 40.

In Fig. 2, a high level block diagram is presented of an alternative embodiment of the coupon exchange system 20. This embodiment is similar to that of Fig. 1 with the exception of optional additional satellite coupon exchangers 32a. The 15 satellite coupon exchangers 32a provide much of the same functionality as the coupon exchanger 32 in regards to allowing a consumer to exchange coupons; however, these coupon exchangers are neither linked to the management network 28 nor to the coupon scanning check writers 44. Instead, the 20 satellite coupon exchangers 32a are linked to a full function coupon exchanger 32 from which coupon data is downloaded for the printing of coupons and to which the satellite coupon exchangers 32a provide data relating to the number of coupons 25 that have been issued. Thus, the coupon exchanger 32 in this embodiment becomes a central data distributor and repository

for data exchanged between various components of the coupon exchange system 20.

In Fig. 3, a consumer's view of the coupon exchanger 32 is presented. Beginning with the uppermost portion of the 5 coupon exchanger 32, there is an informational display 64 for displaying information such as the total amount of coupons redeemed at the retail sales store 24 or the amount of cash paid out in checks written at the retail sales store 24 by the coupon exchange system 20. Below the informational display 64 10 and on the front 68 of the coupon exchanger, there is a product ad display 72. This display is a high resolution color graphics device for presenting advertisements of products for which the coupon exchange system 20 can print and redeem coupon exchange coupons 40. Note that as a special 15 feature of the display 72, with each advertisement displayed, the isle number and other related information for locating the product being advertised within the retail sales store 24 is presented upon the display 72. Below the product ad display 72 are three pairs of coupon input units 76 and coupon output 20 units 80. That is, there are pairs 76a,80a; 76b,80b; and 76c,80c, each pair having a coupon input slot 78 and a coupon output slot 82 and each such pair having identical functionality whereby a consumer inserts, for example, a conventional coupon 36 obtained from a newspaper into input 25 slot 78a of coupon input unit 76a and subsequently a coupon exchange coupon 40 is output from coupon output slot 82a of

coupon output unit 80a. Note that the coupon input slots 78 are sufficiently wide such that coupons 36 of various sizes can be input into a coupon input unit 76. Further note that the output coupon exchange coupons 40 are only for products 5 known to the coupon exchanger 32. In the preferred embodiment, each output coupon exchange coupon 40 will correspond to a product which at some time is advertised on the display 72. Moreover, there is substantially no correlation between the type of coupon input into a coupon 10 input unit 76 and the coupon exchange coupon 40 output from the paired coupon output unit 80. For example, the coupon exchanger 32 of the present embodiment does not use any data obtained from an input coupon 36 to determine the coupon exchange coupon 40 output. Instead, the coupon exchanger 32 15 iteratively cycles through stored coupon exchange product data to determine the coupon exchange coupon 40 to be printed. Further, an output coupon exchange coupon 40 bears substantially no correlation to the current advertisement displayed on display 72.

20 In Fig. 12, a coupon exchange coupon 40 is illustrated. The coupon exchange coupon 40 includes a cash rebate amount 900, an expiration date 904, a product description 908 describing the product for which the coupon applies, a location 912 within the retail sales store 24 where the 25 product can be found, a bar code or universal product code (UPC) 916 identifying both the retail sales store 24 and the

product for which the coupon applies and, finally, any game and/or bonus prize area 920 that may be provided on coupon 40.

In Fig. 4, a block diagram is presented of the internal components of the coupon exchanger 32. In particular, the 5 block diagram illustrates two preferred embodiments; that is, a restricted function coupon exchanger 32 including the solid lined components and arrows, and an enhanced function coupon exchanger 32 including both the solid lined and dashed lined components and arrows. The coupon exchanger 32 includes a 10 network interface 84 having a modem (not shown) which communicates with the coupon exchange management network 28 and each of the coupon scanning check writers 44. The network interface 84 exchanges data with a processor 88. The processor 88, with its included program memory (not shown), 15 controls the operation and data flows of the coupon exchanger 32. In this regard, the processor 88 communicates with five data storage areas for storing and updating data pertinent to the coupon exchange system 20. These data areas are:

(1.1) A coupon description data storage 92 for storing 20 data related to the printing of a coupon exchange coupon 40. Records within this area include data indicating any logo of the product to be printed, the amount for which the coupon can be redeemed, any limitations as to the quantity of the product 25 that can or must be purchased, and a product identifier such as an encoding of the product's

universal product code (UPC). Further, data is also stored in this storage area representing a store identification code which is used by the coupon scanning check writer 44 in determining whether the coupon is valid (i.e., issued) in the store where it is presented for redemption. In addition, data required for the description of bonus prizes or checks to be printed upon a coupon exchange coupon 40 may also be stored in this area;

5 (1.2) A product ad data display storage 96 is used for storing advertisement data to be displayed on display 72. That is, for each product advertised by the coupon exchanger 32, this storage area includes a high resolution color graphics encoding of an advertisement for the product, together with a reference to location data designating where the product is located within the retail sales store 10 15 20 25 24. Note that at least the location data is also used in printing coupon exchange coupon 40;

(1.3) A coupon totals data storage 100 providing storage for various totals related to the coupon exchange coupons 40. Included in this storage area are various totals tallied from a specified (and modifiable) date. Included are the following totals: the total number of coupon exchange coupons 44 printed, the total number of coupon exchange

coupons 40 redeemed, the total cash value of checks written for redeemed coupon exchange coupons 40, the total cash value of bonus checks written and, optionally, the total number of consumer purchase transactions where coupon exchange coupons 40 were used;

5 (1.4) A statistics per product data storage 104 providing a storage area for information related to coupons processed by the coupon exchange system 20. For example, the following fields per product are included in this data storage area: the total number of coupon exchange coupons 40 redeemed for the product subsequent to a specified date, the total amount paid out for the product subsequent to a specified date, and the total number of coupon exchange coupons 40 issued for the product subsequent to a specified date. Additionally, in the enhanced embodiment of the coupon exchanger 32 where any bar codes on coupons 36 input into a coupon input unit 76 are detected, information may be kept in this area regarding the number of each type of input coupon 36 into the coupon exchanger 32; and

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(1.5) A consumer statistics data storage 108 for storing information related to coupon exchange system 20 consumers who are identified by a coupon exchange

system identification card 268 (see Fig. 5) issued to consumers who request one. This data storage area includes data related to the number and types of coupons used by particular consumers. As an aside, note that such information on consumer buying activities is extremely valuable for product producers and distributors.

Returning now to processor 88 and its connections with other components of the coupon exchanger 32, the processor 88 outputs color pixel display data from the product ad data display storage 96 to the product ad display 72 such that an advertisement is displayed as depicted in Fig. 3. Note that the processor 88 iteratively cycles through the advertisements within the product ad data display storage 96 presenting a different advertisement to the product ad display 72 approximately every 2-5 minutes. The processor 88 also retrieves data regarding various totals and presents this data to the informational display 64 to be displayed thereon as a promotional display thereby creating interest in the coupon exchange system 20. In particular, the total amount of cash paid out can be displayed on the informational display 64 as depicted in Fig. 3.

In regards to coupon exchanger 32 interactions with consumers and coupons, the processor 88 communicates with three identical collections of coupon exchanger 32 components whereby each collection includes a coupon input unit 76, a

coupon input controller 112, a coupon discrimination unit 116, a coupon disposal unit 120, a coupon output unit 80 and, optionally, in some embodiments of the coupon exchanger 32 a consumer identification unit 124. Note that each such 5 collection is identified by having the same letter suffix on the labelings of the components of the collection. Thus, for example, one such collection has an "a" as the suffix of its labelings while the other two collections have "b" and "c" as their suffix labelings. Further note that double lined arrows 10 are used to indicate the pathways by which coupons travel within the coupon exchanger 32.

Given that the three collections discussed above are identical, only one such collection will be discussed here. Thus, commencing with the coupon input controller 112a, this 15 controller controls the actions of the coupon input unit 76a, the coupon discrimination unit 116a and the disposal unit 120a, as indicated by arrows from the coupon input controller 112a to these units. In particular, with regard to the coupon input unit 76a, the coupon input controller 112a controls the 20 activation of a motor 128a for receiving a conventional coupon 36 from a consumer. The activation of the motor by the controller 112a is due to the sensing of an input coupon by coupon sensor 132a. That is, the coupon sensor 132a, upon sensing a coupon, responds with signals to the coupon input 25 controller 112a which in turn activates the motor 128a to receive the input coupon. The coupon is thereby transferred

to the coupon discrimination unit 116a where various determinations are made with regard to the type of coupon input. In particular, the magnetic ink scanner 136a determines if there is magnetic ink on the input coupon. Note 5 that all coupon exchange coupons 40 are printed with magnetic ink. Thus, the magnetic ink scanner 136a provides a capability for determining if the input coupon is a coupon exchange coupon 40. If magnetic ink is detected, then as the double lined arrow from the magnetic ink scanner 136a to the 10 coupon input unit 76a indicates, the input coupon is rejected. More precisely, the magnetic ink scanner 136a provides signals to the coupon input controller 112a indicating that a coupon exchange coupon 40 has been detected. Subsequently, the coupon input controller 112a provides signals to the motor 128a to reverse its direction of rotation and thereby reject 15 the coupon by outputting the coupon through the coupon input slot 78a used by the consumer to enter the coupon into the coupon input unit 76a. Alternatively, if no magnetic ink is detected on the input coupon by the magnetic ink scanner 136a, 20 then the coupon is presumed to be a conventional coupon 36 and thus the coupon is transferred to coupon disposal unit 120a for shredding. Note that the shredding of the input coupon 36 is an important aspect of the present invention in that the shredding of the coupon reduces the capability for coupon 25 fraud. Further note that, optionally, as an enhancement, in the transfer to the coupon disposal unit, a laser bar code

scanner 140a may be provided to detect and record any bar code on the input coupon 36. If such a scanner is provided, information from a detected bar code is transferred to the coupon input controller 112a and subsequently transferred to 5 the processor 88 wherein it is stored in the statistics per product data storage 104. Thus, the input controller 112a determines whether an input coupon is either rejected back to the consumer or shredded by coupon disposal unit 120a. Consequently, the coupon input controller 112a substantially 10 receives only high level commands from the processor 88 such as, for example, reject all input coupons due to, for instance, a malfunction of the coupon output unit 80a.

In regards to the coupon output unit 80a, included within this unit is a controller 144a. The controller 144a responds 15 to a message from the processor 88 requesting that a coupon exchange coupon 40 be printed by controlling the printing process of a coupon exchange coupon 40. More precisely, the controller 144a receives from the processor 88 a request to print a coupon together with the data to be printed on the 20 coupon. Thus, the controller 144a receives any data describing the logo or the trademark of the product to be printed on the coupon exchange coupon 40 to be issued, plus data for printing at least fields 900-916 of Fig. 12. (Note that the game and/or bonus prize area is preferably preprinted 25 on the coupon exchange coupon 40.) Further, note that if a consumer identification code has been entered via consumer

identification unit 124a, then the consumer's identification is also transferred to the controller 144a to be printed on the output coupon exchange coupon 40. Conversely, the controller 144a provides the processor 88 with various control 5 signals regarding the status of the printing of coupon exchange coupons 40.

When a coupon exchange coupon 40 is to be printed, the controller 144a activates an output motor 148a to transfer a blank coupon exchange coupon from the blank coupon exchange 10 storage 152a to the coupon printing unit 156a. Note that the blank coupon storage 152a includes a roll of blank coupons such that the coupons on the roll are pre-perforated for easy separation from one another. Further note that, as mentioned above, such blank coupons may also include various preprinted 15 games or bonus prize opportunities. Thus, for example, in one embodiment of the coupon exchange coupons 40, each coupon includes a "rub-off." That is, there is a portion of the coupon with an opaque coating over it which can be rubbed off by a consumer to determine whether a prize winning labeling is 20 printed underneath. Once the coupon printing unit 156a has received a blank coupon from the blank coupon storage 152a, the coupon printing unit commences to print the coupon data received by the controller 144a from the processor 88. Subsequently, once printing is completed for the coupon 25 exchange coupon 40, the motor 148a (or similar such motor) is

activated to output the coupon exchange coupon to the consumer.

In Fig. 5, a block diagram of the coupon scanning check writer 200 is illustrated together with various inputs and 5 outputs. The coupon scanning check writer 200 communicates with the coupon exchanger 32 via a network interface 204. The network interface 204 in turn provides this data to the coupon validation unit 208 where it is stored by a processor 212 into the coupon description data storage 216 for subsequent use in 10 determining the validity of coupon exchange coupons 40 input to the coupon scanning check writer 200, as will be discussed below. Conversely, the coupon validation unit 208 transmits data regarding the redemption of coupon exchange coupons 40 to the coupon exchanger 32 via the network interface 204. To 15 accomplish the transfer of data to the coupon exchanger 32, the coupon validation unit 208 includes a redeemed coupon data storage 220 which is used to store data relating to a single consumer cash transaction. That is, the redeemed coupon data storage 220 includes the total number of coupons redeemed in 20 the transaction, the number of coupons redeemed per product type, the total cash value of the redeemed coupons and the cash value of the redeemed coupons per product promoted by the coupon exchange system 20. Thus, the data stored in the redeemed coupon data storage 220 is accessed by the processor 25 212 and presented to the network interface 204 for transmission to the coupon exchanger 32.

The coupon scanning check writer 200 also includes a product code detection interface 224. This interface monitors the electrical signals corresponding to bar code data included in consumer purchase data 228 being transferred from the 5 product bar code scanner 56 to the in store sales processing network 60. When a signal corresponding to a bar code is detected by interface 224, an encoding of the signal is sent to processor 212 for storage in consumer transaction data storage 228. The consumer transaction data storage 228 stores 10 the UPC labeling for each product purchased by the consumer of the current cash transaction for which coupon exchange coupons 40 can also be redeemed. Also included in the coupon scanning check writer 200 is a coupon acceptor unit 232. Using double lined arrows to again denote the pathways used in transferring 15 coupons, coupon exchange coupons 40 are input into the coupon acceptor unit 232 for determining whether any such coupon is eligible for redemption. More precisely, the coupon acceptor unit 232 includes a coupon sensor 236 for sensing the input of a coupon and signaling a controller 240 when a coupon is 20 detected. The controller 240 thereby activates a motor 248 to transfer the input coupon to the coupon bar code reader 244 where a determination is made as to whether the input is a coupon exchange coupon 40 eligible for redemption. To make this determination, the controller 240 transfers signals 25 corresponding to the bar code read from the input coupon exchange coupon 40 to the processor 212 such that a

determination can be made as to whether the coupon can be accepted for redemption. If the coupon is accepted for redemption, then the processor 212 signals the controller which in turn activates the motor 248 (or similar such motor) 5 to transfer the coupon to the coupon invalidator and collector 252 whereby the input coupon exchange coupon 40 is invalidated, preferably by ink striping the bar code 916, and collected. Alternatively, if the controller 240 receives signals from the processor 212 indicating that the coupon is 10 unacceptable for redemption, then the controller 240 reverses the motor 248, thereby causing the input coupon to be rejected from the coupon acceptor unit 232.

Once all products for a consumer transaction have been scanned by the product bar code scanner 56 (Fig. 1), and all 15 coupon exchange coupons 40 for this transaction have been entered into the coupon acceptor unit 232, then an operator interacts with an operator interface unit 256 for initiating the activation of a program to determine the amount of each check 48 to be printed and presented to the consumer. Thus, 20 in a preferred embodiment, the operator interface unit 256 is substantially nothing more than "a pay button" which is pressed by the operator to activate the above mentioned check printing program. Alternatively, if the retail sales store 24 includes a sales station 52 without a product bar code scanner 25 56, then the coupon scanning check writer 200 associated with this sales station includes an expanded operator interface 256

having a keyboard whereby the UPC labels on products can be input manually.

Once a determination has been made that a check 48 is to be printed, the processor 212 transfers data for each new 5 check 48 to be written to a check writer 260 which prints the check which is then presented to the consumer. In this context, the data received by the check writer 260 includes the amount of the check, the date the check is issued, the check number, the bank routing number, and any check labeling 10 information such as whether the check is for the redemption of coupons, or is a randomly issued bonus check as a prize for using the coupon exchange system 20, or is a promotional check typically only redeemable for merchandise or services at a local business.

15 It is noteworthy as an important aspect of the present invention that the checks 48 do not have the retail sales store 24 as the payor. Instead, the checks 48 are drawn on an account specific to the enterprise operating the coupon exchange system 20. Thus, as a result, the retail sales store 20 24 receives full retail price for the products sold to which only coupon exchange coupons 40 are redeemed.

As a final optional feature in some embodiments of the coupon scanning check writer 200, there can be a consumer identification unit 264. This unit is similar to the optional 25 consumer identification units 124 of the coupon exchanger 32. Thus, prior to the input of the coupon exchange coupons 40

into the coupon acceptor unit 232 during a consumer transaction, if the consumer presents a coupon exchange consumer identification card 268, the card is input into the consumer identification unit 264 and the consumer 5 identification data upon the card is read and transferred to the consumer transaction data storage 228 via the processor 212. As will be detailed below, this consumer identification data is used in two ways: it is stored with UPC labelings of products purchased such that product promoters can determine 10 which consumers buy which kinds of products; in addition, the consumer identification data is used in awarding the consumer extra prizes or bonus points that can be used in selecting gifts as an incentive for using a consumer identification card 268.

15 Figs. 6A and 6B present a flowchart of the high level program steps used by the processor 88 of the coupon exchanger 32. In particular, this program illustrates how the processor 88 responds to various inputs substantially simultaneously. To accomplish this, the program is capable of creating various 20 predetermined "event records" and placing these records in an "event queue" (not shown) associated with processor 88. That is, for each of the interrupts whose type is determined in the steps 304-360, an event record is created having the data necessary to respond to the interrupt. Subsequently, in steps 25 366-378, the event records in the event queue are used to spawn processes within the processor 88 such that the

processor can multitask the processes for responding to the interrupts that have been received.

To explain Figs. 6A and 6B in more detail, assume that the event queue initially has no event records within it and 5 the program is at step 300 where it is waiting for an input interrupt. Once such an input interrupt occurs, in step 304 a determination is made as to whether the product ad display 72 should change the promotional advertisement it is displaying. Since the promotional advertisement displayed is 10 to be changed every two to five minutes, a display ad timer is used to determine when the promotional ad should be changed. That is, in step 304 a determination is made as to whether the display ad timer has expired. If it has expired, in step 308 an event record is created for the updating of the product ad 15 display 72 and this record is placed in the event queue. Subsequently, in step 312 the display ad timer is reset to correspond to the time interval for the new promotional ad which will be displayed when the event record created in step 308 is processed. Subsequently, the flow of control beyond 20 step 312 leads to step 366 where a determination is made as to whether another interrupt has occurred. If so, the flow of control from step 366 loops back to step 304 to make a determination as to the type of the new interrupt.

Steps 304-312 and the branching to step 366 provide a 25 template for the manner in which each type of interrupt is determined and processed. That is, a test is made as to the

type of interrupt and if the interrupt has been identified then an event record is constructed which can be used by a spawned process in responding to the interrupt. Additionally, if the interrupt corresponds to a timer that has expired, the  
5 timer is then reset to correspond to the next interval of time.

Thus, if the test in step 304 is negative, then in step 316 a determination is made as to whether a timer has expired whereby the coupon exchanger 32 is now required to transmit to  
10 the coupon exchange management network 28 the information that has been captured regarding the data within the coupon totals data storage 100, the statistics per product data storage 104 and the consumer statistics data storage 108. Thus, if the network management transmission timer has expired in step 316,  
15 then in step 320 an appropriate event record is placed on the event queue and in step 324 the network management transmission timer is reset. Alternatively, if the test in step 316 is negative, then in step 328 a determination is made as to whether a request has been received indicating that  
20 coupon exchange network management data is to be transferred to the coupon exchanger 32. If so, then in step 332 an appropriate event record is created which will allow a spawned process to enter the new data to be received into the appropriate data storage areas of the coupon exchanger 32. In  
25 particular, the data received from the coupon exchange management network 28 typically modifies one or more fields of

the records in the coupon description data storage 92 and/or the product ad data display storage 96. Alternatively, if the test in step 328 is negative, then a determination is made in step 336 as to whether a consumer identification card 268 has 5 been entered into one of the consumer identification units 124. If so, then in step 340 an event record is created and placed on the event queue such that when a process is spawned corresponding to this event record, the consumer identification on the identification card 268 is captured for 10 eventual printing on a coupon exchange coupon 40 output to the owner of the identification card 268. If, instead, step 336 results in a negative outcome, then in step 344 a determination is made as to whether the interrupt corresponds to a request from a coupon scanning check writer 200 to 15 transfer data to the coupon exchanger 32. If so, then in step 348 an event record is entered into the event queue for spawning a process to capture the data to be transferred from the coupon scanning check writer 200. That is, the spawned process to handle this interrupt captures the data regarding 20 the most recently completed consumer cash transaction stored in the redeemed coupon data storage 220 and the consumer transaction data storage 228. If alternatively the interrupt is not identified in step 344, then in step 352 a determination is made as to whether a consumer has entered a 25 coupon into the coupon exchanger 32. If this step yields a positive result, then in step 356 an event record is created

and entered into the event queue for processing the newly input coupon. In particular, since the coupon input controllers 112 substantially control the input of a coupon, the spawned process performed by the processor 88 substantially only provides a status signal to the appropriate coupon input controller 112 to either process the coupon or automatically reject the coupon back to the consumer if, for example, the corresponding coupon output unit 80 is inoperative. Alternatively, if step 352 provides a negative result, then in step 360 a determination is made as to whether the next informational message is required to be displayed on the informational display 64. If the results of this test is positive, then in step 364 an event record is created and placed on the event queue such that the corresponding process to be spawned retrieves one or more predetermined totals from the coupon totals data storage 100 and presents this data to the informational display 64 to be displayed. Subsequently, regardless of the path taken from the steps 304-364 in determining the type of interrupt that has occurred, the step 366 determines whether a new interrupt has occurred and, if so, as mentioned above, loops back to step 304 to categorize this new interrupt. Otherwise, if no new interrupt has occurred, then in step 370 the highest priority event record in the event queue is assigned to the variable "current\_event." Note that in the present embodiment the event records are substantially prioritized by their ordering

within the queue such that the first event records into the queue are the first event records processed. Subsequently, in step 374 a process is spawned to handle the event record referred to by the current\_event variable. Following this 5 statement a determination is made in step 378 as to whether there are more events in the event queue. If there are, then the flow of control loops back to step 366 to process the next highest priority event in the event queue. Otherwise, if no further event records are in the event queue, then the program 10 loops back to step 300 and waits for the next interrupt.

Referring now to Figs. 7A and 7B, the operation of the coupon exchanger 32 during the processing of a coupon input by a consumer is presented in flowchart form. That is, the flowchart of these figures presents the steps performed by the 15 process spawned to handle an event record created in step 356 of Fig. 6A. Further, this flowchart also presents the steps performed by other components of the coupon exchanger 32 in response to processor 88 actions. Note that the flowchart for these figures reference components described in Fig. 4 of the 20 coupon exchanger 32. However, since there are three collections of coupon input/output components with suffixes a, b or c as described above, the flowchart of Figs. 7A and 7B is made generic by referring only to the numbers without a letter suffix. It should be understood though, that whenever the 25 coupon exchanger 32 components are referenced, the references are intended to have the same suffix letter applied to each

component, where applicable. Further, this flowchart also includes the description of the steps for optional processing corresponding to the consumer identification units 124 and the laser bar code scanners 140. Thus, in particular, steps 516-5 532 and steps 564, 568 and 580 may be omitted in some 10 embodiments of the coupon exchanger 32.

The flowchart of Figs. 7A and 7B will now be described in some detail. Assuming a consumer has input a coupon into one of the coupon input units 76 and the processor 88 has 10 responded to the coupon input controller 112 with a status signalling the controller to continue processing the input coupon, then in step 500 the coupon input motor 128 is activated to transfer the coupon to the magnetic ink scanner 136. In step 504 the magnetic ink scanner 136 determines 15 whether there is magnetic ink on the input coupon. If there is, then, in step 508, the motor 128 is activated via coupon input controller 112 to reverse and reject the coupon back to the consumer since magnetic ink is used as the marker to identify coupon exchange coupons 40 and it is an aspect of the 20 present invention for the coupon exchanger 32 to reject input of its own coupons. Subsequently, the process spawned on processor 88 to handle this event record terminates. Alternatively, if in step 504 magnetic ink is not detected, 25 then the coupon input controller 112 causes the input coupon to be transferred to the laser bar code scanner 140 where any bar code found on the input coupon is read. In step 516 a

determination is made as to whether there is a readable bar code on the input coupon. If such a bar code can be read, then in step 520 the bar code data is transferred via the coupon input controller 112 to the spawned process on processor 88 for handling input coupons such that the number of coupons input to the coupon exchanger 32 having the same bar code can be updated. In one embodiment of the coupon exchanger 32, such bar code data is stored in the statistics per product data storage 104. Alternatively, if the consumer statistics data storage 108 is included in the embodiment of the coupon exchanger 32, then the input coupon bar code is preferably stored with any consumer identification data input via the consumer identification unit 124. That is, the consumer identification data and the bar code data is stored within a record in the consumer statistics data storage 108. Note that steps 524-532 reflect the processing in the latter embodiment of the coupon exchanger 32. That is, if consumer identification data has also been obtained, then in step 532 this data is stored with the bar code data by the input coupon handling process as discussed above. Alternatively, if no such consumer identification data has been obtained, then in step 528 the bar code data may be stored with an anonymous or fictitious consumer identification record.

Subsequently, regardless of the outcome of the steps 516-25 532 processing fork 536 is encountered where processing is done substantially simultaneously by distinct components of

the coupon exchanger 32. Thus, the path having the steps 540 and 544 corresponds to the processing remaining for the input coupon while the path having the steps 548-588 corresponds to the processing remaining for the new coupon exchange coupon 40  
5 that is to be printed and output to the consumer.

In regards to the remaining processing of the input coupon, in step 540, the coupon input controller 112, upon receiving a status signal from the laser bar code scanner 140 regarding the reading of any bar code on the input coupon, 10 issues a signal to activate a coupon shredder (not shown) in the coupon disposal unit 120. Subsequently, in step 544 the coupon is transferred to the disposal unit 120 where it is shredded thereby eliminating any possibility of fraudulent reuse.

15 In regard to the remaining steps for printing a new coupon exchange coupon 40, in step 548 the spawned input coupon handling process makes a determination as to which coupon description in the coupon description data storage 92 is to be used in printing the coupon. Note that in the 20 preferred embodiment, this determination is made in a round robin fashion whereby the coupon description data records are iteratively and sequentially accessed such that each coupon description is used for printing a coupon exchange coupon 40 as frequently as any other such description. Subsequently, in 25 step 552 the data within the statistics per product data storage 104 is updated. In particular, the record indicating

the number of coupon exchange coupons 40 issued is updated and the number of coupon exchange coupons 40 having the coupon description determined in step 548 is also updated. Next, in step 556 the data determined in step 548 is transferred (by 5 the spawned input coupon handling process) to the coupon printing unit 156 related to the coupon input unit 76 which received the input coupon. This data transfer, as reflected in the arrows of Fig. 4, is accomplished via coupon input controller 112. Subsequently, in step 560 data indicating the 10 current date and the identification of the retail sales store 24 is also transferred to the coupon printing unit 156 for printing on the new coupon exchange coupon 40 to be issued. Thus, the coupon data for fields 900-916 of Fig. 12 have been supplied to the coupon printing unit 156.

15       Consequently, in step 564 a determination is once again made by the input coupon handling process as to whether consumer identification data has been obtained. If so, then in step 568 consumer identification data is also supplied to the coupon printing unit 156 for printing on the coupon 20 exchange coupon 40. In step 572 the input coupon handling process activates a program to determine any bonuses to be associated with this new coupon if redeemed by the consumer whose identification data is to be printed on this coupon exchange coupon 40. In particular, bonus checks may be awards 25 as well as "bonus points" which can be used to purchase items from a catalog. In step 576 the results of the determination

in step 572 is transferred to the coupon printing unit 156 to be printed on the new coupon exchange coupon 40. In step 580, a record corresponding to the presently identified consumer is updated to reflect the type of coupon exchange coupon 40 to be 5 issued to this consumer. Subsequently, regardless of the path taken from step 564, a coupon exchange coupon 40 is printed in step 584 and, in step 588, the coupon is output to the consumer via activation of the motor 148 by the controller 144.

10 Referring now to Fig. 8, this figure illustrates the high level program performed by the processor 212 of the coupon scanning check writer 200. Note that this program has the same structure as the high level program performed by the processor 88 of the coupon exchanger 32. That is, there is a 15 step in which the program waits for an interrupt to occur (step 600), subsequently the program determines the type of interrupt and creates an event record to be put on an event queue (not shown) associated with processor 212 (steps 608-640). Following this, the program provides a loop which 20 iteratively spawns a process, on the processor 212, for responding to each interrupt which caused the creation of an event record (steps 644-656). Given this background, only a brief description will be given of the program. In particular, only a brief description will be given regarding 25 the response to the five input interrupts to the coupon

scanning check writer 200 addressed in Fig. 8. Thus, the discussion will be limited to steps 604-636.

Beginning now with step 604 and assuming that an interrupt has occurred, a determination is made as to whether 5 bar code data has been detected by the bar code detection interface 224. If such data is detected, then in step 608 an event record is created and placed on the processor 212 event queue for spawning a process to respond appropriately to this interrupt. Note that Fig. 9 discussed below, describes the 10 process that is spawned to handle event records of this type. Alternatively, if step 604 produces a negative result, then in step 612 a determination is made as to whether the input interrupt corresponds to coupon data being received from the coupon exchanger 32. If the result of this test is positive, 15 then in step 616 an event record is created and placed in the event queue for spawning a process which updates the coupon description data storage 216 with new coupon description records including UPC data identifying the products for which a coupon exchange coupon 40 can be redeemed and the redemption 20 value of each such coupon. If, however, step 612 provides a negative result, then in step 620 a determination is made as to whether a coupon has been entered into the coupon acceptor unit 264. If a coupon has been entered, then in step 624 an event record is created and placed on the event queue such 25 that a process can be spawned to handle this interrupt. Briefly, the process to be spawned due to the event record

here determines the validity of the coupon and then subsequently stores data related to the redemption of the coupon and invalidates the coupon. Note that the program performed by this process is given in Fig. 10 and will be 5 discussed in detail below. If, on the other hand, the result of step 620 is negative, then in step 628 a determination is made as to whether there is a request for a check to be written by the coupon scanning check writer 200. If so, then an event record is created and put on the event queue for the 10 spawning of a process to determine if a check should be written and, if so, then write the check for the appropriate amount. Note that Fig. 11 presents the steps performed by this process. Alternatively, if none of the previous four input interrupt tests yield a positive result, then in step 15 636 a determination is made as to whether a consumer identification card 268 has been entered into the consumer identification unit 264. If so, then as with the previous interrupts an event record is created and placed on the event queue for the spawning of a process to handle this input. 20 Note that the process spawned causes the processor 212 to retrieve consumer identification data from the consumer identification unit 264 and store it in the consumer transaction data storage 228. Subsequently, regardless of the input interrupt detected, step 644 is encountered. Note that 25 steps 644-656, along with their entering and leaving flow of control lines, have identical counterparts in Figs. 6A and 6B.

Therefore, the program of Fig. 8 spawns processes and waits for an input interrupt in exactly the same manner as described with respect to Figs. 6A and 6B.

Referring now to Fig. 9, a flowchart is presented 5 illustrating the steps performed by the process spawned on processor 212 to handle new bar code data detected by the bar code detection interface 224. Thus, in step 700 the processor 212 retrieves the UPC signal portion from the bar code detection interface 224 and assigns it to the variable 10 UPC\_CODE. Subsequently, in step 704 a determination is made as to whether the UPC data referenced by the variable UPC\_CODE matches a UPC field stored in a record within the coupon description data storage 216. Whenever such a match occurs, step 708 is performed wherein the processor 212 creates or 15 updates a record within the consumer transaction data storage 228 which maintains a count of the number of items purchased of each product for which the coupon exchange system 20 has issued coupon exchange coupons 40. Alternatively, if no such match occurs in step 704, then the processor 212 ignores the 20 newly detected UPC data.

Referring now to Fig. 10, a flowchart is presented illustrating the steps performed by a process spawned on processor 212 in response to the entering of a coupon into the coupon acceptor unit 232. It is assumed that the coupon 25 sensor 236 has already signaled the controller 240 that a coupon has been entered and that the controller 240 has

activated the motor 248 to transfer the coupon to the coupon bar code reader 244. Note as an aside, the present illustrated embodiment assumes that either only coupon exchange coupons 40 will be entered into the coupon acceptor unit 232, or the coupon bar code reader 244 is capable of detecting inputs that are not coupon exchange coupons and thereby signalling the controller 240 to reverse the motor 248 and reject the input. In the latter context, various detection devices within the coupon bar code reader 244 may be 5 implemented. For instance, the coupon bar code reader 244 may include a magnetic ink scanner similar to the magnetic ink scanners 136 included in the coupon exchanger 32.

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Thus, assuming that a coupon exchange coupon 40 has been entered into the coupon acceptor unit 232, then in step 720 a 15 determination is made as to whether the current input coupon exchange coupon 40 is valid for the retail sales store 24. That is, it is an aspect of the present invention to assure that a coupon exchange coupon 40 from another retail sales store is not redeemed in the present retail sales store 24.

20 To accomplish this, the processor 212 receives, via controller 240, the bar code data read by the coupon bar code reader 244 and decomposes this data to identify a predetermined portion of the data which indicates the identity of the retail sales store from which the coupon exchange coupon 40 was issued.

25 Thus, if it is determined that the coupon exchange coupon 40 was issued by a retail sales store different from the current

retail sales store 24, then in step 724 the coupon is rejected. Alternatively, if it is found that the coupon exchange coupon 40 was issued by the present retail sales store, then in step 728 a determination is made as to whether 5 the coupon has expired. Note that in the preferred embodiment, it is desirable to have the coupon exchange coupons 40 redeemed soon after being issued. Therefore, the coupon exchange coupons 40 expire at the end of the day upon which they are issued. If the coupon has expired, then step 10 724 is again encountered and the coupon is rejected. Alternatively, if the coupon exchange coupon 40 is not expired, then in step 732 a determination is made as to whether the coupon exchange coupon 40 is eligible for redemption due to a product that has been purchased. To make 15 this determination, the processor 212 compares the UPC data obtained from the coupon with UPC data stored in the consumer transaction data storage 228 identifying the products that have been purchased by the consumer. If no match is found, that is, the UPC data obtained from the coupon exchange coupon 20 40 does not match any UPC product data residing in the consumer transaction data storage 228 where a coupon exchange coupon 40 has not already been applied, then in step 724 the coupon is again rejected. Otherwise, the coupon exchange coupon 40 has past all tests and is now considered redeemable. 25 Thus, in step 736 a determination is made as to the redemption value of the coupon exchange coupon 40 by retrieving a coupon

description record from the coupon description data storage 216 having the UPC data which matches the corresponding data from the coupon exchange coupon 40 and further includes the redemption value of the coupon. Subsequently, since all the 5 data required for processing the input coupon exchange coupon 40 has been retrieved in step 740, an activation signal is sent to the controller 240 for activating the motor 248 (or a similar such motor) to transfer the coupon exchange coupon to the coupon invalidator and collector 252. Upon receiving the 10 coupon exchange coupon 40 the coupon invalidator and collector 252 voids the coupon, preferably by inking over the coupon's bar code, and subsequently stores the coupon as verification of redemption. Following the activation of step 740, in steps 744-752, the redeemed coupon data storage 220 is updated by 15 the processor 212 to reflect the redemption value of the coupon exchange coupon 40 input. Thus, in step 744 a field having the total redemption amount for the product identified by the coupon exchange coupon 40 input is incremented by the redemption value of the coupon. In step 748 a field 20 corresponding to the total cash value of the coupon redemption check to be written to the consumer is updated by the same amount and in step 752 the total number of coupon exchanger coupons 40 redeemed for the product identified by the input coupon exchange coupon 40 is incremented.

25 Subsequently, in the remaining steps 756-768 of the program of Fig. 10, a determination is made as to whether or

how many "bonus points" are to be allocated to the consumer. In this regard, it is a noteworthy aspect of the present invention to allow consumers to accumulate bonus points in a bonus point account whereby the bonus points can be exchanged 5 for items from a predetermined selection of items. Of course, to accomplish this the consumer must be identified. Therefore, in step 756 a determination is made as to whether a consumer identification card 268 has been inserted into the consumer identification unit 264. If such is the case, then 10 in step 760 a determination is made as to whether the consumer identification data read from the identification card 268 matches any consumer identification data on the input coupon exchange coupon 40. If the test in step 760 is affirmative, then steps 764 and 768 determine the number of bonus points to 15 be credited to the consumer and these points are added to a consumer record within the redeemed coupon data storage 220.

In Fig. 11, a flowchart is presented of the process spawned in Fig. 8 to handle a check writing event record created in step 632. More precisely, the flowchart of Fig. 11 20 both shows the writing of one or more checks 48 and subsequently the sending of data to the coupon exchanger 32 regarding the just completed consumer transaction at the sales checkout station 52.

Continuing now with a description of the steps in Fig. 25 11, in step 800 a determination is made as to whether the total amount of the redeemed coupon exchange coupons 40 is

greater than 0. If not, then nothing more is to be done since in the present embodiment of the invention no checks 48 are written to the consumer. Otherwise, in step 804 the processor 212 activates the check writer 260 to write a check 48 for the 5 total amount of the redeemed coupon exchange coupons 40. As an aside, note that, in an alternative embodiment to step 804, the consumer can have the total amount of the redeemed coupon exchange coupons 40 credited to an account; e.g., to a debit account which the consumer has established with the retail 10 sales store 24. Subsequently, in step 808 a determination is made as to the amount(s) of any bonus and/or promotional check(s) to be issued. Note that each promotional check typically is only redeemable for merchandize or services at a local business. Thus, for example, a promotional check may be 15 issued for \$5.00 off the cost of a meal at a local restaurant. In step 812, a determination is made as to whether a promotional check and/or a bonus check is to be written. Note that in determining whether a bonus check is to be written, a random number generator is used. That is, the random number 20 generator can be used to determine whether a bonus check is to be written and/or the amount of the bonus check. Subsequently, if either type of check 48 is to be written, then in step 816 the check writer 260 is activated to write one or more checks corresponding to the non-zero promotional 25 and/or non-zero bonus amounts. Following this, in step 820 data regarding the current consumer transaction is sent to the

coupon exchanger 32. In particular, the following data is sent to the coupon exchanger 32: any consumer identification data, the total value of all coupon exchange coupons 40 redeemed during the transaction, the amount of any bonus 5 points allotted to the consumer, the value of the coupon exchange coupons 40 redeemed per product, the number of coupon exchange coupons 40 redeemed per product and the cash value of any bonus check 48 written. Subsequently, since no further data specific to this consumer transaction needs to be 10 retained in the coupon scanning check writer 200, in step 824 the accumulation fields of the redeemed coupon data storage 220 and the consumer transaction data storage 228 are reset or invalidated in preparation for use with the next consumer.

In an alternative embodiment of the present invention, 15 the coupon scanning check writer 44 is used to redeem coupons provided to consumers by a means other than the coupon exchanger 32. For example, by conducting direct marketing surveys, consumers can be identified that are likely to purchase a particular product in the near future. By mailing 20 or otherwise presenting such consumers with a coupon exchange coupon 40 for a competitor's comparable product which is redeemable for a check using the coupon scanning check writer 44, the consumer may be enticed into purchasing the competitor's products. For instance, in purchasing an 25 automobile, one manufacturer may mail coupon exchange coupons 40 to consumers contemplating purchasing an automobile of

another manufacturer in order to entice consumers into purchasing an automobile from the manufacturer providing the coupon exchange coupons 40. Note that a similar technique can also be applied to other business areas such as purchasing 5 airline tickets. In each case, the coupon scanning check writer 44 provides the benefits of: (a) allowing a retailer of the product or service to redeem the coupon exchange coupons 40 without using the retailer's funds; (b) inhibiting coupon fraud since the coupon exchange coupons 40 are automatically 10 invalidated upon redemption; and (c) supplying consumers with an immediate cash rebate for purchasing a promoted product.

Further, since the coupon exchange coupons 32 can be encoded such that they are valid for only predetermined business locations, a manufacturer or service provider can 15 easily limit the exchange of coupon exchange coupons 40 to, for example, retail outlets in a particular geographical region.

The foregoing discussion of the invention has been presented for purposes of illustration and description. 20 Further, the description is not intended to limit the invention to the form disclosed herein. Subsequently, variation and modification commiserate with the above teachings, within the skill and knowledge of the relevant art, are within the scope of the present invention. The embodiment 25 described hereinabove is further intended to explain the best mode presently known of practicing the invention and to enable

others skilled in the art to utilize the invention as presented, or in other embodiments, and with the various modifications required by their particular application or uses of the invention. It is intended that the appended claims be  
5 construed to include alternative embodiments to the extent permitted by the prior art.